



## Memorandum # 23/2004

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission  
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### MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Updated Actuarial Equivalent Factors

DATE: June 30, 2004

The fiscal year 2005 State Budget provides that PERAC may establish new actuarial equivalent factors to be used in the calculation of retirement allowances (option A annuity, option B annuity and option C adjustment). The law states that PERAC may establish new factors within 180 days of the effective date of the budget. The new factors will be based on a more current mortality table and interest rate, however, it will take some time to assess various mathematical algorithms to determine and adopt the appropriate factors.

As a result, any retirement allowance that will become effective on or after July 1, 2004 but prior to December 27, 2004 will be calculated based on existing factors. Retirement allowances that will become effective on or after December 27, 2004 will be calculated pursuant to the factors established by PERAC pursuant to the FY 05 Budget. PERAC will notify you of those factors as soon as the actuary completes his analysis.

We trust the foregoing is of assistance. Any questions should be directed to the actuarial unit.